

Pathways LME Response to 2009-2010 Funding Reductions

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Items to Review

- Summary of the financial impact at the local level
- Overview of strategies utilized in the development of the local reduction plan
- Current status of changes

Local Financial Impact

Cross Area Service Program (CASP) Reduction	<\$149,137>
Non Core Community Services Reduction	<\$73,327>
State \$\$ Supporting CAP MR/DD Consumers Reduction	<\$2,534,839>
General IPRS Service Fund Reduction	<\$2,670,495>
October restoration of funds	\$810,264
Net Loss of Service Funding	<\$4,617,534>
Percentage of beginning recurring state allocation	26%

Development of Local Plan to Respond to Loss of Service Funds

- Preparation began in late Spring for anticipated reductions
- Met frequently with local interested parties including providers, consumers/family members and community stakeholders
- Internal workgroup already in place to process changes
- Board of Directors active in the analysis and planning of system changes

Considerations Critical in the Plan Development

- Ensure that community safety net and crisis services remained available and viable
- Ensure compliance with legislative requirements re: CAP MR/DD consumers
- Spread the burden across age and disability groups
- Do the least harm to the fewest consumers
- Be fair to providers
- Be mindful of identified gaps in the existing service system

Funding Reduction Plan Specifics

- Began by reducing funding as directed in two areas: CAP MR/DD and CASP
- Worked from reduced contract amounts which resulted from prior year funding changes
- Pathways' Board allocated \$1 million to reduce the impact from the state's reductions
- The remaining reductions resulted in changes to all age and disability groups

Current Situation

- Overall, local providers responding to decreased funding while attempting to safeguard current consumers
- There has been, and will continue to be, significant ramifications to current consumers
- Demand increasing dramatically at a time when funds are dropping significantly
- Other identified needs will not be able to be addressed

Current Situation (cont'd)

- Pathways has expended 37% of our allocation through October 31st
- Decreasing fund balance may compromise our ability to protect the cash flow of our providers
- The system must work together, locally and statewide, to recover from this situation